

Federal Grant Allowable Costs

The District will comply with federal requirements with respect to factors affecting allowability of costs with federally funded programs. The District will follow established written procedures for determining the allowability of costs in accordance with 2 Code of Federal Regulations (CFR) Subpart E—Cost Principles and the terms and conditions of the Federal award.

The application of these cost principles is based on the fundamental premises that:

1. The District is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.
2. The District assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
3. The District, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary to assure proper and efficient administration of the Federal award.
4. The application of these cost principles should require no significant changes in the internal accounting policies and practices of the district. However, the accounting practices of the district must be consistent with the cost principles of 2 Code of Federal Regulations (CFR) Subpart E and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.
5. In reviewing, negotiating and approving cost allocation plans or indirect cost proposals, the cognizant agency for indirect costs (Nevada Department of Education or awarding entity) should generally assure that the district is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals. Where wide variations exist in the treatment of a given cost item by the district, the reasonableness and equity of such treatments should be fully considered.
6. The District may not earn or keep any profit resulting from Federal financial assistance unless explicitly authorized by the terms and conditions of the Federal award.

To be allowable under Federal awards, except where otherwise authorized by statute, costs must be:

- Necessary and reasonable and allocable
- Conform to cost principles or Federal award as to types or amount of cost items.
- Consistent with policies and procedures that apply uniformly to federal and non-federally funded activities.
- Consistent treatment as direct or indirect cost

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Adopted: May 16, 2023

- In accordance with GAAP
- Not included as a cost to meet cost sharing or matching requirements of any other federally financed program.
- Adequately documented.

The application of these cost principles is based on the fundamental premises that the district has in place sound management practices; will follow the terms and conditions of the specific Federal award and will determine, based on its own unique combination of staff, facilities, and experience how to assure proper and efficient administration of the federal funds.

END OF POLICY

Legal References: 2 (C.F.R.) Part 200, §200.302(b)(7), 2 CFR § 200.400 Policy Guide, 2 CFR §200.56 Indirect (facilities & administrative (F&A)) costs., §200.307 Program Income, § 200.403 - Factors affecting allowability of costs)